Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 SSO-00 NSCE-00 USIE-00 INRE-00 OMB-01

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FM AMEMBASSY SANTIAGO
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CONFIDENTIAL SANTIAGO 2940

EO 11652: GDS

USCINCSO

TAGS: CI, PGOV, PINT

SUBJ: ALLENDE NAMES NEW CABINET

USCINCSO FOR POLAD

- 1. SUMMARY. PRES ALLENDE NAMED NEW CABINET JULY 5, CHANGING SOME FACES BUT KEEPING IDIVIDUAL UP PARTY QUOTAS AND PORTFOLIO RESPONSIBILITIES EXACTLY AS IN LAST CABINET. NO MILITARY. CABINET STRUCTURE AND PRESIDENT'S SPEECH AT SWEARING- IN CEREMONIES INDICATE REAFFIRMATION OF BASIC UP POLICIES AND ARE NON- CONCESSIONARY TO MILITARY CONCERNS. END SUMMARY.
- 2. PRES ALLENDE SWORE IN NEW CABINET EARLY EVENING JULY 5. SEVEN NEW MINISTERS, PORFOLIOS AND PARTIES AS FOLLOWS:

INTERIOR- CARLOS BRIONES (PS), DEFENSE - CLODOMIRO ALMEYDA (PS), AGRICULTURE - ERNESTO TORREALBA (PS), EDUCATION - CONFIDENTIAL

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EDGARDO ENRIQUEZ (PR), ECONOMY - JOSE CADEMARTORI (PCCH), LABOR - JORGE GODOY (PCCH), MINES - PEDRO FELIPE RAMIREZ (IC), OTHER PORTFOLIOS REMAIN UNCHANGED.

3. IN DISPIRITED SPEECH OF 45 MINUTES PRECEDING SWEARING- IN OF NEW MINISTRY, ALLENDE RELATED BACKGROUND OF CABINET CHANGES TO JUNE 29 EVENTS, WHCIH HE DEPICTED AS CULMINATION OF RELENTLESS CAMPAIGN BY OPPOSITION SECTORS TO UNDO PEOPLE'S GOVT. EMPHASIZING HIS SOLE RESPONSIBILITY UNDER CONSTITUTION FOR NAMING CABINET, HE DENIED STORIES THAT ARMED FORCES CINCS HAD PRESENTED HIM WITH FIVE DEMANDS, STATING CONVERSATIONS WITH THEM HAD BEEN UNDERTAKEN AT HIS INITIATIVE. HE DEFINED TASK OF NEW CABINET AS TO REDOUBLE EFFORTS TO CARRY OUT UP PROGRAM AND IN PARTICULAR TO IMPLEMENT EMERGENCY PLAN TO REVERSE POLITICAL AND ECONOMIC DETERIORATION OF COUNTRY, IN TERMS IT WOULD BE HARD TO REPRESENT AS CONCILIATORY OR AIMED AT MEETING CONCERNS EITHER OF OPPOSITION OR OF ARMED FORCES. DESPITE RHETORIC OF REASONABLENESS AND DETERMINATION, SUBSTANCE OF EMERGENCY PLAN EMPHASIZES FURTHER EXTENSION OF STATE ENTERPRISE, STATE DISTRIBUTION OF FOODSTUFFS AND OTHER ESSENTIAL.

CONSUMER GOODS, AND USE OF PEOPLE'S BODIES (SUCH AS JAPS).

- 4. NEW CABINET BREAKDOWN FOLLOWS PORTFOLIO AND NUMERICAL LINES ESTABLISHED IN CABINET NAMED IN MARCH. SOCIALISTS KEEP FOUR SLOTS (DEFENSE, INTERIOR, AGRICULTURE AND FOREIGN AFFAIRS). COMMUNISTS HOLD ON TO THEIR THREE (ECONOMY, JUSTICE AND LABOR), AS DO RADICALS (EDUCATION, PUBLIC WORKS AND SECRETARY GENERAL OF GOVT). MINI- PARTIES API, IC AND MAPU EACH KEEP ONE (LANDS, MINES AND FINANCE, RESPECTIVELY). TOW INDEPENDENTS KEEP HEALTH AND HOUSING PORTFOLIOS.
- 5. WITHOUT FURTHER EXPLANATION, ALLENDE MERELY STATED THAT HE DID NOT DIESIRE TO CARRY THROUGH ON PREVIOUSLY EXPRESSED PLEDGE TO KEED

IMPEACHED MINISTERS IN CABINET. SERGIO BITAR AND LUIS FIGUEROA BOTH IMPEACHED AND ORLANDO MILLAS AND GERAARDO ESPINOZA SUSPENDED FROM THEIR FUNCTIONS BY THE CHAMBER OF DEPUTIES DO NOT APPEAR IN NEW CABINET. (PRESIDENT REVEALED THAT MILLAS HAS ALREADY DEVELOPED GOC'S 1974 ECONOMIC PLAN.) JORGE TAPIA, A RADICAL WHO REPORTEDLY SUFFERED SEVERE PROBLEMS WITH SUBORDINATED SOCIALISTS IN THE EDUCATION MINISTRY, ALSO LEAVES THE CABINET. TAPIA, ACCORDING TO ALLENDE, WILL BE ASCONFIDENTIAL

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SIGNED AS YET UNSPECIFIED DUTIES IN THE INTERNATIONAL SPHERE. MOST NOTICEABLE NAME MISSING IS THAT OF JOSE TOHA (PS) WHO HAD BEEN ONE OF THE TWO LAST REMAINING MEMBER OF ALLENDE'S FIRST CABINET (NOV 1970). (MARTONES IS OTHER.) PRESIDENT STATED IN SPEECH THAT TOHA HAD PRESENTED RESIGNATION OVER MONTH AGO FOR PERSONAL REASONS, BUT HAS EXPRESSED WILLINGNESS TO ACCEPT

IMPORTANT TASK PRESIDENT HAS IN MIND FOR HIM.

- 6. NEW MININT CARLOS BRIONES OLIVOS, 57, IS OLD- LINE SOCIALIST, LAWYER, AND ALLEGEDLY LONG- TIME CLOSE FRIEND OF ALLENDE. HE HAS HAD 30- YEAR CAREER IN SOCIAL SECURITY FIELD, RISING TO POSITION OF SOCIAL SECURITY SUPERINTENDENT WHICH HE HAS HELD FOR LAST EIGHT YEARS. HE IS HIGHLY REGARDED BY NEARLY ALL POLITICAL GROUPS; HE WAS RECENTLY CHOSEN AS THIRD MAN TO BE ON EL TENIENTE BOARD TO DECIDE QUESTIONS OF REINSTATEMENT OF DISMISSED STRIKERS SINCE HE WAS ACCEPTABLE TO BOTH STRIKERS AND GOVT.
- 7. NEW MINECON JOSE CADEMARTORI INVERNIZZI, 42, IS MEMBER
 OF POLITICAL COMMISSION OF COMMUNIST PARTY, FORMER FOUR- TERM
 DEPUTY FROM SANTIAGO WHO DID NOT RUN FOR REELECTION THIS YEAR ON
 PARTY ORDERS AND GENERALLY REGARDED AS ONE OF CHILE'S OUTSTANDING
 MARXIST ECONOMISTS. HE HAS TRAVELED EXTENSIVELY ON COMMUNIST
 PARTY AND GOVT BUSINESS, INCLUDING 1972 PARIS CLUB DISCUSSIONS ON
 NEGOTIATION OF CHILE'S FOREIGN DEBT.
- 8. NEW MINEDUC EDGARDO ENRIQUEZ FRODDEN (60) IS MEMBER PRO-MINENT RADICAL FAMIL - BROTHER WAS SENATOR, SISTER FIRST WOMAN PARLIAMENTARIAN. A DOCTOR, HE HAD SERVED IN NAVY FOR 31 YEARS BEFORE RETIRING AND BEING ELECTED IN 1968 AS RECTOR OF UNIV CONCEPCION. MAIN CLAIM TO FAME NOW IS THAT HIS TWO SONS, (EDGARDO AND MIGUEL), ARE FOUNDERS AND PRIME MOVERS OF EXTREME LEFT MIR.
- 9. NEW MINLABOR IS JORGE GODOY (ABOUT 40) LONG-TIME COMMUNIST STALWART AND LABOR ORGANIZER WHO HAS BEEN FILLING IN FOR LUIS FIGUEROA AS CUT PRESIDENT WHILE LATTER OCCUPIED LABOR MINISTRY. PRESIDENT STATED THAT FIGUEROA WILL RESUME CUT LEADERSHIP.
- 10. NEW MINAG ERNESTO TORREALBA MORALES (37) IS A LAWYER AND ECONOMIST WHO HAS BEEN SERVING AS EXECUTIVE SECRETARY OF SEREX, GOC'S NEWLY CREATED TRADE AGENCY IN CHARGE OF ALL INTERNATIONAL CONFIDENTIAL

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TRADE MATTERS. HE HAS BEEN A MEMBER OF THE GOC ECONOMIC TEAM SINCE THE ADVENT OF THE ALLENDE GOVT, TRAVELING TO VAR E E E E E E E

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^{***} Current Classification *** CONFIDENTIAL

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